

## CHAPTER 4 : ECONOMIC DEVELOPMENT

### Introduction

The City Council's *Strategic Plan for 2007-2012* states that a diverse and growing economy is paramount to promoting and advancing the community's quality of life and sustainability. To that end, the Department of Economic and Community Development focuses its resources and staffing on aggressively promoting the community as a place to invest, reinvest, and do business.

Due in large part to the existence of Texas A&M University, the community is somewhat isolated from the extreme economic swings that other communities experience due to the macro-economic climate. The existence of TAMU and its 45,000 students also serves as a driver for both the local economy and the type of new development that is ultimately sought. Currently, the City's economic portfolio consists of three major components:

- 1) Academe – the “business” of education
- 2) Research – the commercialization of knowledge and associated entrepreneurship
- 3) Retail – maintaining a healthy and vibrant market place

College Station's economic sustainability is also strongly connected to its evolving retail sector. With over 40 percent of the City's general operating budget derived from sales tax, continually seeking innovative and exciting new retail development and reinvestment in the community will be critical for future success and growth.

As important as retail growth and educationally focused development are it is equally necessary to secure development that attracts and helps retain the talent necessary for emerging industries especially in the areas of bio-technology, research, commercialization and other knowledge-based economic generators like the Medical Corridor.

College Station's evolving market and the general development environment for future industries will serve as the primary focal point for this chapter. The Department has identified three emerging development sectors that are anticipated to play a significant role in the City's future economic growth and success:

- 1) Healthcare – anchored by the development of a “Medical Corridor” and continued growth as a regional healthcare center
- 2) Tourism – developing and sustaining a signature event, adding more tourist venues, as well as completing the much anticipated convention center
- 3) Quality of life – securing the types of development that attracts young professionals and retirees.

Economic development is essential for the City's long-term growth and future sustainability and will require an advanced level of awareness and commitment by the City for the foreseeable future. Furthermore, economic development is not a stagnant practice but rather an evolving continuum that changes with time and shifts in response to both the local market and area demographics. Therefore, it is imperative that the City maintain the ability to be fluid in its economic development practices and decisions.

## **Purpose**

The purpose of this chapter is to provide guidance for pursuing opportunities that both strengthen our current market base and increase the community's potential to achieve employment growth and economic vitality through appropriate and desirable development. The City recognizes and embraces the continued need for a diverse economy that enhances our quality of life and attracts new talent and development.

This should not be seen as an overall economic development strategic plan, but rather a set of policies and recommendations focused on enhancing the local economy.

This economic development chapter will address four major topics:

- Discussion of the current economic development climate as well as plans for achieving a more diversified and appropriate development portfolio
- Discussion of proposed land use, transportation, gateways, infrastructure, public services from an economic development perspective
- Recommended goals, objectives and actions for leveraging College Station's key economic development opportunities
- Retail assessment and demographic and economic analysis

## **Issues and Opportunities**

The comprehensive planning process has yielded several observations, issues and opportunities related to current economic development efforts in College Station. The issue statements and questions raised by the Comprehensive Plan Advisory Committee (CPAC) serve as a focus for this chapter and will bring focus to this element of the plan regarding the community's values and expectations for the future of economic development activities contained within it.

### ***Growing a Vibrant Retail Market***

While Texas A&M University is likely to remain the main economic driver in the community, the retail market will continue to serve as a necessary associated sector that is intrinsically linked to the long-term growth of the University and will positively impacts the City's resource base. Thusly, growing and enhancing the community's retail sector and market will be a focal point for many future economic development activities.

- **Locally-Owned Business** - The City is not prepared to promote locally-owned independent businesses at a level of service that exceeds the current amount of support to all businesses. The City makes every attempt to assist locally-owned businesses, especially in the Northgate District and in older areas of the community, through various enhanced services and activities. These services include: support and guidance through the development process; facilitation of meetings between key stakeholders; and assistance trouble-shooting various problems that may present themselves to various stakeholders. The City will continue to support and encourage home-grown businesses and entrepreneurs.
- **"Big-Box" Retail** - It is not the intention of the City to exclude "big-box" retail development from the community. Big-box retail serves a regional market and captures a greater amount of commerce than would be possible without it. Given College Station's location in a

predominantly rural area, it has and will continue to serve as a regional hub for outlying communities that might otherwise travel to other places to make purchases such as those found in big-box outlets.

- **Absorption, Redevelopment & Trends** – The Department will continue to facilitate the redevelopment and development of our three most active corridors: University Drive, Texas Avenue and State Highway 6 By-pass as well as monitor the potential for growth in our secondary areas such as Wellborn Road and south College Station. Over the coming months, the Department will secure the services of an experienced consultant team to assist us in understanding the longer term dynamics of the issues.
- **Understanding the Market** - The College Station market is very unique and in certain ways highly complex. The demographics of the community provide for a disproportionately largely young, urban though ultimately transient population coupled with a much smaller growing middle-aged and older highly-educated permanent population. This mix presents several challenges in attracting retail that can serve both sectors of the community in an equitable manner. Therefore, it is vital that the City commit itself to utilizing the best modeling tools available for achieving a balance of retail that somewhat serves the entire market.
- **Market Promotion** - In an effort to attract the newest and most exciting retail ventures to College Station, the City must continue its commitment to promoting the community in new and innovative ways that enhance our current efforts. Promoting the community will ultimately be a function of understanding the market as discussed previously and mobilizing that information so that potential retailers understand the intricacies and nuances of our market and thereby take a strong interest in the economic potential. It will be critical in the coming years to constantly seek and attract fresh retailing opportunities so as to prevent leakage to the Houston and Austin or even Dallas and San Antonio markets.
- **Redeveloping Assets** - The City currently has identified several key areas in prime locations such as Northgate, Texas Avenue, and Harvey Road that are ripe for redevelopment. It will be important for the City to facilitate redevelopment opportunities, namely mixed-use and transit-oriented development, which bring renewed economic vigor back to underutilized/misused areas through a focus on making those types of development much easier for decision makers and stakeholders.

#### *Key Planning Considerations*

1. Encourage growth of the retail sector and market by attracting new developments that cater to both our permanent population and the younger transient population so as to limit leakage.
2. Improve ability to assist local and home-grown businesses to promote diversity in the marketplace.
3. Maintain a big-box retail equilibrium that continues to provide consumers with choices while not flooding the market with development that is overwhelmingly out of scale and inappropriate for our market.
4. Improve the City's understanding of its own market and how it compares to other desirable communities through impact modeling and higher-level demographic analysis tools.

5. Enhance existing opportunities for the redevelopment of under-utilized/older commercial properties while also promoting infill and mixed-use development opportunities where appropriate.

### ***Emerging Industries***

Economic Development focuses a great deal of effort and resources into making the College Station business environment more attractive and suitable for a greater number of emerging industries, specifically those that are “knowledge-based.” With the community and Texas A&M University’s growth so intricately connected; our reliable infrastructure and close proximity to Houston and Austin; smarter incentives for advanced industries; and a pro-active promotion of enhanced services and public/private partnerships, we will continue to place College Station in an even more promising position to further attract technology and knowledge-focused industries and jobs in the future.

- **Redeveloping Assets** - Redevelopment is critical for any community to effectively survive and thrive development cycles and transitions. A primary focus for economic development will be to identify ways in which we can make redevelopment of underutilized facilities or areas more attractive for prospective companies.
  - *Northgate* - The Northgate District is currently a main focus of the City’s redevelopment efforts. Northgate is envisioned by the City Council and the community as a key entertainment district in our community. Redevelopment has already begun with the addition of new residential projects along College Main and the City’s acquisition of a major property on First Street. These projects along with other key initiatives already under development will further help transform Northgate into a key entertainment district and a growing tourist destination.
  - *State Streets* - The City of College Station has long utilized its Federal housing and community development dollars to redevelop substandard housing in the State Streets area. Recently, staff received the support of the City Council to completely revamp programming under the Community Development division. This new programming will allow staff to better leverage public resources to allow for a greater level of assistance in impacted areas of the community.
  - *Harvey Road* - Harvey Road is a long-standing retail corridor in our community. A major component of the corridor is restaurants, containing several upscale venues as well as several venues unique to College Station. With Post Oak Mall as its easternmost anchor and Texas Avenue to the west, Harvey Road represents a major connector of the City’s retail infrastructure. Plans have already been designed to redevelop both the interior and exterior of Post Oak Mall. The City is currently exploring options to revitalize the remainder of the corridor, focusing efforts on the currently vacant or historically-underutilized properties.
  - *Texas Avenue* - As one of the primary roadways in our community, Texas Avenue is a key area for significant redevelopment opportunities. Several properties along Texas Avenue have become less desirable to potential investors and a new strategy is desired. As a critical component of this strategy, the City is exploring options for the aggressive redevelopment of portions of this corridor. Exciting redevelopment plans

have already begun in several portions including Central Station and Texas Ave Crossing.

- *Lynntech Science Park* - The new Lynntech Science Park project is an exciting example of the City's major redevelopment efforts. The City has partnered with a private business partner to redevelop vacant property along the Earl Rudder Corridor. The focus of the project, the Westinghouse facility, is an 180,000 square foot building constructed in 1984 to build electronic components for military operations. Since 1999, the facility has sat dormant. This new redevelopment partnership will transform the property into a major mixed-use development bringing new jobs and millions of new dollars to the community.
- **Diversity Beyond Retail** - The College Station market is unique in its growth patterns and make up. Driven in large part by the University, which greatly dictates the type of development the local market can support, retail is and will likely always be a major part of our long-term reality and sustainability. Traditional industries such as warehousing and manufacturing have not been appropriate or desired by the community. Knowledge-based industry is ripe with potential for knowledge-based, high-tech industry and the City will be mindful of this in its future economic development efforts though not at the expense of overtly limiting or restricting new retail opportunities.
- **Identifying Industry Targets** - Along with a vibrant retail base, the City of College Station boasts a local economy defined by several in-demand industries. Specifically focused in the information technology, bio-technology, agriculture technology and engineering fields, this growing portion of local industry is supported by the continuous flow of "new thinkers" coming out of Texas A&M University. With enrollments growing each year, in the future, the City of College Station will be presented with a knowledgeable and capable workforce at hand to better sustain these growing sectors of our economy. Therefore, it should be a primary goal for the City to create a quality of life and general atmosphere necessary to capitalize on some of the community's greatest assets.
- **Public/Private Partnerships** - There is a growing prevalence of public/private partnerships made to enhance the feasibility and potential for the emerging industries sought. The City has already fostered a valuable relationship with several external partners such as the Research Valley Partnership (RVP) to assist in the marketing of the community, attracting new industry and providing the necessary incentives for their ultimate development. To that end, it is imperative that the City's long-term economic development strategy continue to utilize public/private partnerships as a tool for further knowledge-based industrial development.
- **Transitioning Incentive Opportunities** - The City is committed to providing the necessary assistance to businesses that will not only help them make College Station their home but also grow along with our community. However, given fiscal constraints and the political realities of providing cash incentives, whether they are through direct grants or tax abatements, it will be important for the City to be more efficient and cost conscious with its incentive programs. One important measure that has been recently developed is an Enhanced Services Program that focuses staffing resources and expertise on better facilitated agreements, determining and investing in new or enhanced infrastructure, and providing guidance through the development and permitting process.

- **Promotion of Assets** - The City currently leverages its promotion capabilities with that of its external development partners, such as the Research Valley Partnership (RVP). However, the City should take a stronger lead role in capitalizing of one of our most abundant and valuable commodities: the thousands of “new thinkers” generated by Texas A&M University each year. Marketing this group of individuals as being readily available in this community to prospective companies would provide exponential benefits to almost every stakeholder. The City must also continue to promote its location as the central hub of Texas’ population and the high-quality/lower-cost of living that this very unique market provides.

#### *Key Planning Considerations*

1. Better coordinate efforts to make redevelopment easier and feasible for prospective companies.
2. Improve focus on the quality and quantity of retail development within the community.
3. Promote the “new thinkers” generated by Texas A&M University as a valuable commodity that could drive newer types of emerging industries that the community ultimately seeks.
4. Utilize public/private partnership opportunities to better leverage the City’s resources in attracting and securing larger-scale knowledge-based industries.
5. Continue to develop innovative strategies and incentives to provide for prospective businesses and industries that go beyond traditional cash incentives.

#### ***Economic Impact of Comprehensive Plan Proposals***

The nature of economic development is indirectly tied to nearly every other aspect of this comprehensive plan. Increased quality of life and a healthy economic market, especially one which is driven by a major academic institution and a dynamic retail sector, function in tandem with one another. Issues such as land use, transportation, utilities, infrastructure, and community facilities are important for effective and successful development practices and will greatly impact the overall quality of economic development throughout the duration of this plan. The goal of this section is to address some of the economic impacts of the proposals generated by other chapters of this plan and offer recommendations from an economic development perspective.

- **Proposed Land Use** The Department will continue to review the proposed land use plan and analyze the economic impacts it may have on current and future development. In the near future, a qualified consultant will be secured to assist the Department in analyzing these important issues and their findings will be included in this plan once available.
- **Transportation** Transportation is an important driver for new investment and an adequate system is one of the most valuable pieces of infrastructure a community can possess. Commercial development and redevelopment is intimately tied to the quality and specific modes of transportation around it. Economic development can support the growth of multi-modal transportation through a greater promotion of pedestrian and bicycle-friendly development. This effort will create a more urban environment through mixed-use, live-work-play type developments/redevelopments in appropriate areas of the community.
- **Gateways** The city currently has several critical gateways that are important for on-going and more long-term economic development activities. These include: 1) the intersection of

University Drive and Earl Rudder Freeway; 2) the intersection of University Drive and Texas Avenue; 3) the intersection of William D. Fitch and Earl Rudder Freeway; and 4) the intersection of Harvey Road and Earl Rudder Freeway.

- *University Drive & Earl Rudder Freeway* - The University Drive & Earl Rudder Freeway intersection is the primary southbound entrance to the community. Currently, the general area is rapidly approaching full build-out with a variety of businesses in the immediate area. This intersection includes a healthy mix of retail, restaurants, hotels, and medical facilities.
- *University Drive & Texas Avenue* - The University Drive and Texas Avenue intersection is one of the most visually pronounced intersections in the City as it is the intersection of the two largest roadways. This intersection also serves a key approach to and borders Texas A&M University. This intersection has been identified by the City as a key redevelopment focus area for the community.
- *William D. Fitch Parkway & Earl Rudder Freeway* - The William D. Fitch Parkway and Earl Rudder Freeway is the primary northbound entrance into our community. This intersection is the focus of several proposed major retail development initiatives. Near this intersection is the Business Center at College Station which is home to several larger private sector employers firms including Reynolds and Reynolds, Inc. and Stata Corporation. The Business Center is also home to a major Texas A&M University System office complex.
- *Harvey Road & Earl Rudder Freeway* - The intersection of Harvey Road and Earl Rudder Freeway is another primary entrance into our community. With Post Oak Mall at one corner of the intersection, the entrance begins a long stretch of retail and restaurants along Harvey Road into the heart of the community. This intersection is also immediately adjacent and parallel to the Wolf Pen Creek District.
- **Districts & Corridors** - The City is home to several unique and commercially viable districts and corridors that will play an integral part in the community's continued growth and success. The development and redevelopment within and around these corridors will be impacted by important issues such as transportation, infrastructure, greenways and aesthetics, as well as an appropriate land use plan. These are as follows:
  - *Northgate* - As College Station places more focus and resources on building tourist-friendly attractions, the Northgate Entertainment District will remain as one of the largest commercial draws in the city. With a wide array of restaurants, businesses and nightlife hotspots the district emulates the diverse cultural feel that reverberates across the community.

As a flagship of the City's future redevelopment plans, the City has given attention to making sure the district remains attractive to tourists as well as becoming a much better draw for our permanent population. Projects and efforts in this regard have include improved infrastructure, district wide clean-up and maintenance efforts and renewed

initiatives to recruit new businesses to move to the area and keep already established businesses in the area growing and prospering.

Northgate is also a major focal point for the city's redevelopment plans. As the city continues to grow, we see Northgate growing even faster residentially and commercially. First Street, along the east side of Northgate, is also a prime location for a major multi-use development that will further diversify the current composition of the district.

- *Business Center at College Station* - The Business Center at College Station, located along Earl Rudder Freeway just south of William D. Fitch Parkway, is home to the City and region's first master planned Class-A business park and is home to several knowledge-based emerging industries that the community is focused on enhancing. The success of this area is vitally important to the City's long-term goals of developing highly-technical research businesses that provides well paying and stable jobs for our residents.
- *Wolf Pen Creek* - The Wolf Pen Creek District serves as a unique blend of park land, entertainment venues, and commercial and residential developments. This corridor is important to the City's ongoing efforts to create a community attraction for residents and out-of-town guests alike. The long-term development and redevelopment of the area must be handled with an attentive eye to preserving its park like setting while introducing a greater variety and density of commercial and residential growth opportunities.
- *University Drive* - The University Drive Corridor comprises the heart of the hospitality industry in College Station, running east to west from Earl Rudder Freeway and past Easterwood Airport. Anchored on one end by the Gateway Center development and Scott & White Clinic, and by Texas A&M and the Northgate District on the other end, the corridor hosts many of the City's most exciting retail focal points including University Town Center, University Town Plaza and will eventually serve as the home of the new Hotel and Convention Center at Chimney Hill. This corridor is immensely important as it represents the newest and most exciting center for further hospitality development in the City.
- *Texas Avenue* - Texas Avenue represents the primary north-south commercial corridor in College Station. The corridor is home to more established neighborhood and general service types of retail. With frontage along the Texas A&M campus, Texas Avenue is vital to the City's overall plan for commercial development and redevelopment as indicated by recent redevelopment accomplishments including Texas Avenue Crossing and Central Station.



The recent widening and general beautification of Texas Avenue is a testament to the City's continued commitment to the continued development of this economic corridor. Now capable of accommodating increased traffic flow it is anticipated that it will continue to see further exiting retail growth.

- *Earl Rudder Freeway* - The portion of Earl Rudder Freeway that runs from the split at Texas Avenue through to the Bryan city limit is unquestionably the primary regional retail corridor for the area. This corridor represents an appropriate home for larger scale and "big-box" type retail and commercial development.
- *Harvey Road* - Connecting Earl Rudder Freeway to Texas Avenue, Harvey Road is an area of bustling activity in our community. Flanked by high density residential areas and the Wolf Pen Creek District it contains many major restaurant and retail centers including Post Oak Mall. The age of the residential and non-residential developments along Harvey Road presents the City with significant redevelopment opportunities in the future.
- *Medical Corridor* - The Medical Corridor represents a major initiative on behalf of the City that will be created and promoted in order to meet the future health care and wellness needs of the City and region's growing population. The goal of developing this corridor is to harness the overall economic potential by creating identity, promoting continuity and synergy, and inviting new investment for the expanding healthcare and wellness industry.

The Medical Corridor as currently envisioned will be focused on the College Station Medical Center and general area around the intersection of Rock Prairie Road and Earl Rudder Freeway. Aside from the positive impacts this high-quality planned development will have on the immediate area, it is anticipated it will have a far reaching economic impact on the community at large and potentially the entire region. While its intent is to serve as a central hub for medically-related services, it is anticipated that due to its nature and scope, this endeavor will serve as a catalyst for much more development on a city-wide basis.

#### *Key Planning Considerations*

1. Enhance coordination with all stakeholders to ensure the proper utilization of the land use plan.
2. Support and facilitate the necessary measures to achieve quality infrastructure and an adequate transportation network that addresses the needs of current and future commercial/retail and targeted theme development.
3. Increase the visibility and aesthetics of the gateway entry-points that are critical for high-quality commercial/retail development.

4. Emphasize a holistic approach that takes into consideration transportation, land use and infrastructure in the development and redevelopment of vital economic corridors across the city.

### **Goals, Objectives and Action Recommendations**

The following goals, objectives and recommended actions were formulated to specifically address the issues and needs outlined above. The goals reflect the overall vision of the community, which may be achieved through these objectives and by acting on the identified recommendations. It is important to note that these are also general statements of policy that may be cited when reviewing development proposals and used in making important community investment decisions regarding the provision and timing of facilities and services.

The overarching vision for economic development in College Station for the years ahead is to achieve a diversified economy generating quality, stable, full-time jobs, bolstering the sales and property tax base, and contributing to a high quality of life. Five strategies have been developed to elaborate on these themes and community priorities.

#### ***STRATEGY 1: Promote and support new investment that serves regional market opportunities.***

1. **Develop Medical Corridor.** Secure a professional and qualified firm to develop and successfully implement all aspects of this important new initiative. This is to include: market analysis, impact forecasting, determination of size and scope, visioning exercises, design, development, construction preparation, project bidding and construction management.
2. **Sophisticated Market Analysis.** Utilize impact modeling software to assist in determining appropriate types of development and their associated needs for long-term community sustainability.
3. **Prioritize Districts & Corridors.** Identify and prioritize those districts and corridors that are available for the most effective development and redevelopment opportunities.
4. **Emerging Industries Focus.** Identify and attract new knowledge-based industries, i.e. bio-technology, agriculture technology, information technology, etc..
5. **Policy & Guidelines.** Refine and monitor adopted Economic Development Incentive Guidelines to ensure appropriateness for the types of industry that the community seeks.

#### ***STRATEGY 2: Promote and support the establishment, retention of locally-owned businesses***

1. **Market Analysis.** Determine market competitiveness for locally-owned businesses and seek reasonable equity between locally-owned business, chain retail, and big-box type development.

#### ***STRATEGY 3: Promote and support the attraction of festivals, entertainment, conferences, conventions and other special events for the purpose of economic growth***

1. **Convention Center.** Develop and construct a hotel and convention center at the recently acquired Chimney Hill property on University Drive.

2. **Signature Event.** Retain a professional and qualified firm that will assist the City in developing, establishing, promoting and executing a signature event with regional, state and potentially national recognition.

***STRATEGY 4: Identify and pursue redevelopment opportunities that further desired community character***

1. **Post Oak Mall Renovation.** Continue to assist and help coordinate the renovation efforts at Post Oak Mall to further solidify its standing as a major regional shopping center.
2. **Central Station Redevelopment.** Complete the redevelopment of the Central Station Shopping Center on Texas Avenue and facilitate full occupancy.
3. **Wal-Mart Redevelopment.** Facilitate and assist the completion of a Super Wal-Mart redevelopment at their existing location at Texas Avenue and Harvey Mitchell Parkway.
4. **Ramada Inn Redevelopment.** Facilitate and assist the renovation and redevelopment of the Ramada Inn property on Texas Avenue as a mixed-use, higher-end student housing development.
5. **Mixed-Use Development.** Focus on developing retail, employment and higher density housing in appropriate neighborhoods with an emphasis on pedestrian and bicycle traffic as viable transportation alternatives.
6. **Green Building Standards.** Research and promote green building standards and incentives for commercial/retail development.

***STRATEGY 5: Protect and buffer prime economic generators from development that is out of character or that creates or contributes to decreased service levels***

1. **Medical Corridor.** Coordinate efforts with the project's selected design firm to ensure currently developed area within the proposed Medical Corridor is appropriately developed and redeveloped to fit within an adopted plan and strategy.
2. **Impact Modeling Analysis.** Develop and implement sophisticated impact modeling tool that will assist in determining appropriate developments given selected criteria, i.e. infrastructure, transportation, land use, and demographic demands and limitations.
3. **Development Prioritization.** Create and implement an objective system to prioritize potential development based upon size, scope and type.

## Retail Assessment and Economic & Demographic Analysis

This section should be utilized as quantitative analysis to support the issues and needs as addressed above. It should also be noted that this data will be supplemented by further high-level analysis upon the retention of a qualified consultant team to assist staff in the planning and development of the community's long-term economic development vision and strategy.

### Education & Employment

In 2007, 59 percent of the population aged 25 years or older achieved at minimum a bachelor's degree – besting both national and state averages by substantial margins (*Source: 2007 American Community Survey, U.S. Census*). This number, in large part due to the presence of Texas A&M, is likely to remain at this or higher levels for the duration of the planning period. This number also helps illustrate the “community of thinkers” vision presented elsewhere in this chapter. It will be essential that the City not only attract the quality knowledge-based jobs that these individuals desire to have but also improve upon the overall quality of life that they will likely demand.

In 2007, health care and social assistance was the leading industry, employing 39 percent of the population. The hospitality industry, which includes arts, entertainment, recreation accommodation and food services, employed approximately 13 percent while the professional, scientific, and management sector employed 11 percent and the retail trade, 10 percent. These numbers support this chapter's assertion that the local market is heavily comprised of a unique composition of service industries that require innovative and equally unique development to satisfy all of the key demographics.

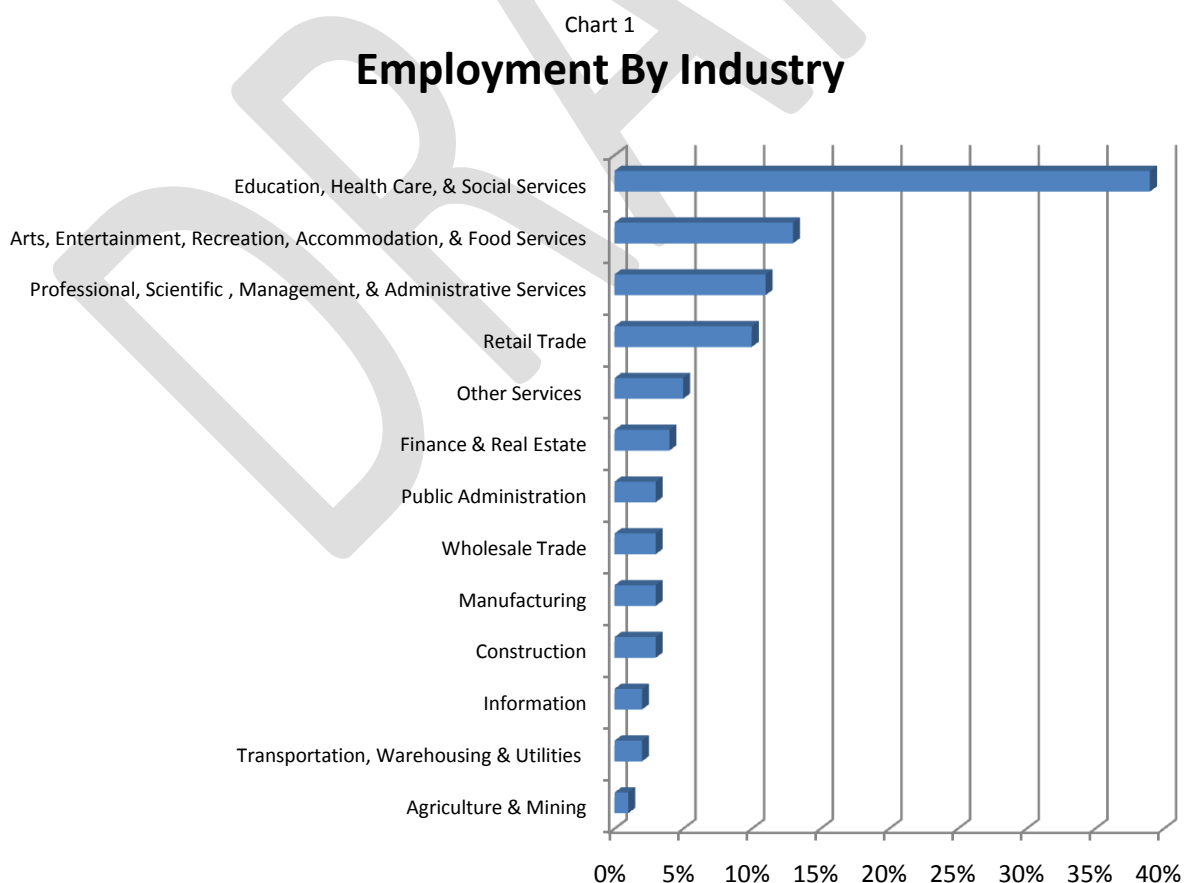


Table 1

**College Station-Bryan Top Employers**

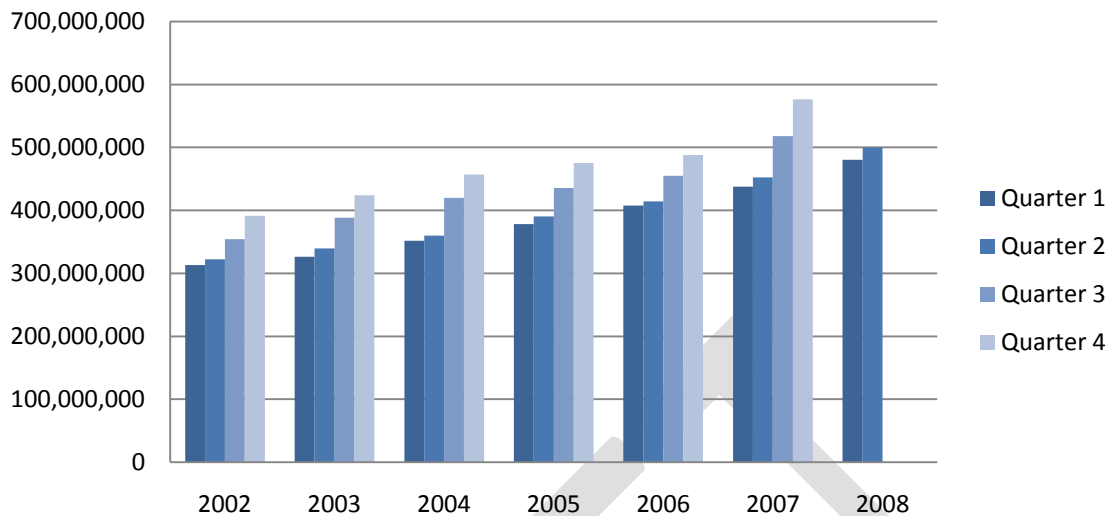
Employer	Industry	Function	Employees
Texas A&M University & System	Education	Education/Research	16,248
Bryan Independent School District	Education	K-12	1,949
St. Joseph's Regional Health Care Center	Health Services	Hospital, clinics, etc...	1,590
Sanderson Farms	Manufacturing	Poultry Processing	1,539
College Station Independent School District	Education	K-12	1,400
Reynolds & Reynolds	Manufacturing	Computer Hardware/Software	959
City of Bryan	Government	Municipality	889
City of College Station	Government	Municipality	865
Brazos County	Government	County	751
Wal-Mart	Retail	Discount	650
New Alenco Windows	Manufacturing	Window Components	611
HEB Grocery	Retail	Grocery	590
West Corporation	Telecomm	Contact Center	550
Scott & White	Health Services	Hospital, clinics, etc...	500
College Station Medical Center	Health Services	Hospital, clinics, etc...	420
Kent Moore Cabinets	Manufacturing	Cabinets	400
Blinn College - Bryan Campus	Education	Community College	360

Source: Real Estate Center at Texas A&amp;M

**Local Economy**

**Gross Sales** - At the end of 2007, College Station recorded \$1.98 billion in gross sales compared to \$1.76 billion in 2006, an increase of 12.47%. Through the second quarter of 2008, the State Comptroller has recorded over \$980 million in gross sales an increase of 10.1% of the same period in 2007. These numbers indicate that despite a national downward trend, the College Station market is still growing and being supported by sales at a very healthy rate. While it is unknown if growth will continue to grown on that order given outside economic forces, it is anticipated that the City will need to stay ahead the curve in its retail development activities to maintain a fresh and innovative market to provide for sustainability.

Chart 2  
**Gross Retail Sales**



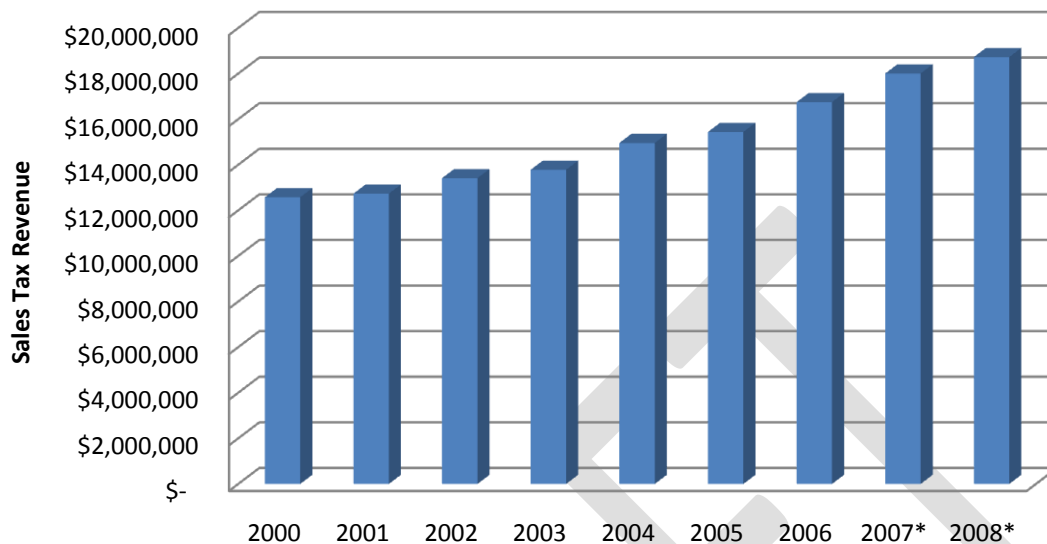
*Gross Sales Per Capita* - Based on the latest complete data available, College Station saw \$22,813 per capita in gross sales in 2006, a 9.91% increase from 2006.

*Taxable Sales* - Approximately \$1.04 billion of the gross sales in FY2007 were subject to the city's sales tax. It is estimated that in FY2008, the city collected sales tax on approximately \$1.24 billion in sales.

*Taxable Sales Per Capita* - It is estimated that in 2008 the amount of taxable sales per capita will total \$13,870, up from \$12,006 per capita in 2007 a 15.5% increase.

*Sales Tax* - The City's portion of the sales tax amounts to 1.5% and generated approximately \$18 million in FY2007, a 7% increase over FY2006. This is expected to total \$18.7 million in FY2008. The sales tax accounts for 40% of the city's general fund revenues and is projected to steadily grow to over \$21.5 million by 2011. Maintaining this steady growth, even through trying economic times will be incumbent upon enhancing the retention and expansion of our retail market base through our enhanced retail promotion and development efforts.

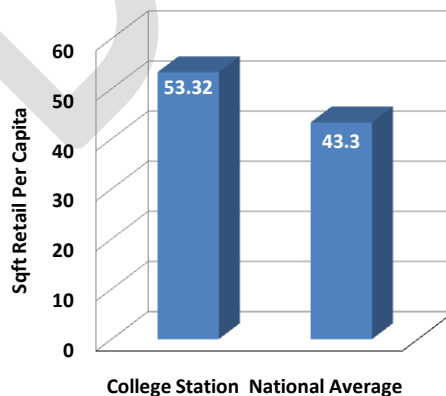
Chart 3  
**Sales Tax Revenue**



Source: Texas Comptroller's Office, FY2008 CS Budget and Real Estate Center at Texas A&M  
\*2007 & 2008 Budget estimates

*Retail Square Footage* - As reported by the Brazos County Appraisal District, there are approximately 4.64 million square feet of retail space in the City of College Station which translates to 53.32 sq. ft. per capita. This includes stand alone retail outlets, markets, Post Oak Mall, shopping centers, etc. Comparatively, the national average is 43.3 sq. ft. per capita based on analysis conducted by the International Council of Shopping Centers. Maintaining this level of retail space will remain important to the community for the foreseeable future and is indicative of the strong presence that retail has on our evolving market. Utilizing data collected from BCAD and the FY2008 City's Annual Budget, it is estimated that approximately \$3.80 in sales tax revenue is collected per square foot of retail space.

Chart 4  
**Retail Sq Ft per Capita**



*Retail Outlets Per Capita* – Utilizing data obtained from the Texas Comptroller’s Office and the City’s Planning and Development Services Department, staff calculated the number of retail sales outlets per capita. In short, this information tells us how many residents there are to each retail outlet. A steady downward trend in the ratio amount, as seen between 2002-2007, shows the number of retail outlets as growing at a faster rate than that of the population indicating a healthy growth market. This data also underscores the value and importance that a vibrant and growing retail sector has and will continue to have on our market.

As a benchmark, in 2007, the State of Texas with a population estimate of nearly 24 million and approximately 842,913 sales tax outlets had one outlet for every 28.4 persons.

Table 2

***Retail Outlets Per Capita***

Year	Avg. Sales Tax Outlets†	Estimated Population*	Outlets per Capita Ratio	Percent Change
2002	1,232	75,752	1 : 61.5	N/A
2003	1,290	78,309	1 : 60.7	-1.3%
2004	1,338	80,214	1 : 59.6	-1.81%
2005	1,425	81,930	1 : 57.5	-3.52%
2006	1,586	84,116	1 : 53.0	-7.82%
2007	1,666	86,982	1:52.2	-1.50%

† Quarterly average, Texas State Comptroller

\* City of College Station, Department of Planning and Development Services Estimate

Chart 5

**Ratio of Sales Tax Outlets per Capita**

